

**BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE**

RESOLUTION

(01-03-1R)

A RESOLUTION AUTHORIZING

THE SERVICE TO INCREASE THE AMOUNT VOLUNTARILY CONTRIBUTED BY EMPLOYEES OF THE SERVICE TO THEIR 401(K) SAVINGS PLAN ACCOUNTS; AND GENERALLY RELATING TO THE RETIREMENT PROGRAM FOR CERTAIN EMPLOYEES OF THE SERVICE.

R E C I T A L S

WHEREAS, pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland, the Maryland Environmental Service (“Service”) is directed and authorized to determine and establish compensation and benefits for its employees; and

WHEREAS, the Board of Directors of the Service (“Board”) has previously approved an Adoption Agreement (“Adoption Agreement”) establishing a 401(k) Savings Plan (“Plan”) for its employees; and

WHEREAS, the Board desires to amend the Plan to increase the amount employees may voluntarily contribute to their Plan accounts; and

WHEREAS, the Plan provides in Section 14.1(b), that the Service may amend any elective or optional provision of the Adoption Agreement at any time by delivering an executed copy of the amendment to the Plan sponsor.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE THAT:

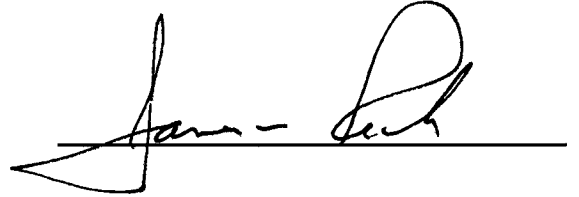
1. The Plan Adoption Agreement is hereby amended to provide that employees may voluntarily contribute to their Plan accounts contributions up to the limits set forth in section 402(g), 415(c)(1) and 457(b)(2) of the Internal Revenue Code.
2. This Resolution shall be effective retroactive to January 1, 2001.

ADOPTED, this 29th day of March, 2001.

MARYLAND ENVIRONMENTAL SERVICE

SEAL

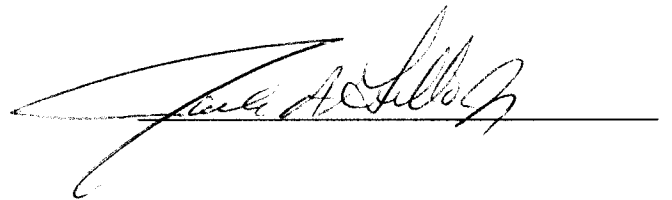
**James W. Peck
Director**



**Kenneth Howarth
Treasurer**



**Jack A. Gullo, Jr.
Secretary**



**Lawrence D. Shubnell
Member**



Resolution No. 01-03-1R
Amendment to 401(k) Plan
Page 3

William B.C. Addison, Jr.
Member

Not present

Daniel F. McMullen, III
Member

Daniel F. McMullen III

Joseph F. Snee, Jr.
Member

Joseph F. Snee, Jr.

Leslie Jackson Jenkins
Member

Leslie Jackson Jenkins

Attest:

Jack A. Gullo, Jr.
Jack A Gullo, Jr., , Secretary

**BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
(01-03-2R)**

A RESOLUTION authorizing

The formal ratification by the Maryland Environmental Service (the "Service") of the procurement of equipment; assignment of the equipment to a Project Reserve Fund (Internal Service Fund); and borrowing of moneys to finance the purchase of the assets.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service; (ii) to create and establish a project reserve fund; and (iii) to borrow money and issue bonds or notes for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service.

The Service considers the purchase of various vehicles for the use and support of certain projects to be in furtherance of the purposes of the Act and the Service.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, THAT:

1. The purchase of the vehicles (the "Assets") shall be, and hereby is, confirmed, authorized and directed pursuant to the provisions of the Act.

2. Certain procurements have been or will be initiated by the Service due to funding availability and project schedules.

3. With regard to the attached list entitled "Capital Equipment Expenditures" and totaling an amount not to exceed Ninety-nine Thousand Dollars (\$99,000.00), the Board approves the following: (a) the purchase of the Assets; (b) assignment of the Assets to the Project Reserve Fund (Internal Service Fund) for lease or rental to MES projects, including, without limitation, to the Montgomery County Yard Waste Composting Facility project operated by the Service, and to a Service project to collect municipal solid waste from transit stops in Montgomery County; (c) borrowing of moneys for a term not to exceed five (5) years to finance the purchase of the Asset; (d) the use of interfund borrowing, as needed, but only a temporary basis, to facilitate the purchase transaction; and (e) use of the proceeds of the permanent financing as appropriate to reimburse the interfund borrowing, including, without limitation, financing in the form of a Master Equipment Lease-Purchase Agreement.

4. The purchases shall be, and hereby are, adopted and authorized as set forth above, and the Director of the Service is hereby authorized to proceed as authorized and approved by this Resolution. The Service may make any substitutions of the Assets to any client-specific project it deems necessary.

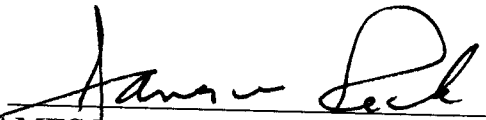
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5. This Resolution shall take effect immediately.

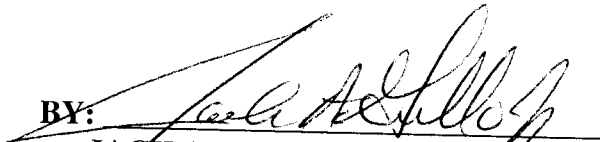
ADOPTED, this 29th day of March, 2001.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES W. PECK, DIRECTOR

BY: 
KENNETH A. HOWARTH, TREASURER

BY: 
JACK A. GULLO, JR., SECRETARY

**CAPITAL EQUIPMENT EXPENDITURES
(01-03-2R)**

<u>No.</u>	<u>Description</u>	<u>Model</u>	<u>Estimated Cost</u>
3	Pickup Trucks	TBD	\$ 81,000.00
1	Passenger Van	TBD	\$ 18,000.00
		Total	\$ <u>99,000.00</u>

BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
(01-09-1R)

A **RESOLUTION AMENDING**, Resolution 96-04-1R, as previously amended by Resolution 97-06-1R, Resolution 98-01-1R, Resolution 99-01-1R, and Resolution 99-10-2R; and generally relating to the financial affairs of the Service.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the power to fix, alter, charge, and collect rates, fees, and charges for the use of or for the services furnished by the Service or its projects, including administrative and overhead expenses. On April 25, 1996, the Board adopted Resolution 96-04-1R. Resolution 96-04-1R provided *inter alia*, for the adoption and use of an Indirect Cost Recovery Methodology for the Service. The Resolution also included an attachment which detailed the Service's Indirect Cost Recovery Methodology. Resolution 96-04-1R was subsequently amended by Resolution 97-06-1R, Resolution 98-01-1R, Resolution 99-01-1R, and Resolution 99-10-2R. The Service has determined to further amend the Indirect Cost Recovery Methodology.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE MARYLAND ENVIRONMENTAL SERVICE, THAT:**

1. The Attachment to Resolution 96-04-1R, as amended by Resolution 97-06-1R, Resolution 98-01-1R, Resolution 99-01-1R, and Resolution 99-10-2R, is hereby changed to read as follows:

Overhead and General and Administrative (G & A) Costs

- Overhead and G & A costs will be accumulated into a single cost pool for all program level and

agency level costs. Multiple cost centers will be used to record, manage and control costs and then accumulated for recovery.

- In order to recover a portion of the Service's indirect overhead costs, a 5% rate shall be charged on direct contract labor. The labor index for recovering the Service's remaining indirect overhead costs shall be total billable labor.
- Beginning July 1, 2002, the total billable labor brackets will be adjusted on an annual basis by an amount equal to the percentage change for the previous twelve months in the Bureau of Labor Statistics Employment Cost Index – Total Compensation for State and Local Government.
- The recovery of G & A and overhead costs incurred after June 30, 1999, shall be in accordance with the methodology approved by the Board in Resolution 99-10-2R.
- The recovery of G & A and overhead costs incurred after June 30, 2002 shall be in accordance with the following methodology:
- The base recovery rate will be adjusted to meet the following customer criteria:
 1. For that portion of the labor index that exceeds \$362,600 in a fiscal year and is less than \$725,200, the recovery rate will be 75% of the base rate.
 2. For that portion of the labor index that equals or exceeds \$725,200 in a fiscal year, and is less than \$1,036,000, the recovery rate will be 50% of the base rate.
 3. For that portion of the labor index that equals or exceeds \$1,036,000 in a fiscal year, and is not more than \$1,243,200, the recovery rate will be 25% of the base rate.
 4. For that portion of the labor index that equals or exceeds 1,243,200, the recovery rate will be 10% of the base rate.
 5. A base recovery rate of 5% will be applied to contract labor (not to include subcontract labor).
- The actual base recovery rate for a fiscal year will be confirmed by the Service's independent auditors as part of the Service's regular fiscal year end audit.
- The most recent audited base recovery rate will be adjusted by the Service for any known or required changes to the rate components. Any adjustment will include retention of two thirds (2/3) of any recovery of costs in excess of actual overhead and G & A costs in a fiscal year. This adjusted recovery rate will then be used by the Service for the next full budget cycle (second fiscal year after the audited year), and will be applied to fiscal year 2001 results for setting the overhead rate for fiscal year 2003.

Working Capital Charge

- In addition to the other charges set forth herein, the Service shall charge a rate of three percent (3%) of the labor index to each project for which a Service client has not provided an operating advance. This charge shall be known as the "Working Capital Charge". For purposes of this section, the labor index shall be direct billable labor.
- The rate of the Working Capital Charge shall not be subject to annual audit adjustment. The Board shall, from time to time, review and adjust, in its sole discretion, the rate of the Working Capital Charge.

Fringe Benefit Costs

- Fringe benefit costs will be accumulated in a single cost center cost pool.
- The base index for recovering fringe benefits is the Service's total labor costs.
- The actual fringe benefits recovery rate for a fiscal year will be confirmed by the Service's independent auditors as part of the regular fiscal year end audit.
- The most recent audited base recovery rate will be adjusted by the Service for any known or required changes to the rate components. Any adjustment will include retention of two thirds (2/3) of any recovery of costs in excess of actual fringe benefit costs in a fiscal year. This adjusted recovery rate will then be used by the Service for the next full budget cycle (second fiscal year after the audited year), and will be applied to fiscal year 2001 results for setting the fringe benefit recovery rate for fiscal year 2003.

For purposes of this methodology, normal accounting accruals which are consistent with generally accepted accounting principles will be actual costs.

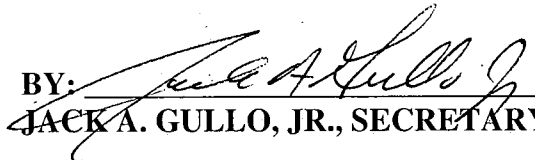
2. All other terms of Resolution 96-04-1R, as amended by Resolution 97-06-1R, Resolution 98-01-1R, Resolution 99-01-1R, and Resolution 99-10-2R, remain the same.

ADOPTED, this 20th day of September, 2001.

SEAL

BY: 
JAMES W. PECK, DIRECTOR

BY: 
KENNETH HOWARTH, TREASURER

BY: 
JACK A. GULLO, JR., SECRETARY

**BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE**

RESOLUTION

(01-11-1R)

A RESOLUTION authorizing

The formal ratification by the Maryland Environmental Service (the "Service") of the procurement of equipment; assignment of the equipment to a Project Reserve Fund (Internal Service Fund); and borrowing of moneys to finance the purchase of the assets.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service; (ii) to create and establish a project reserve fund; and (iii) to borrow money and issue bonds or notes for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service.

The Service considers the purchase of various vehicles for the use and support of certain projects to be in furtherance of the purposes of the Act and the Service.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, THAT:

1. The purchase of the vehicles (the "Assets") shall be, and hereby is, confirmed, authorized and directed pursuant to the provisions of the Act.

2. Certain procurements have been or will be initiated by the Service due to funding availability and project schedules.

3. With regard to the attached list entitled "Capital Equipment Expenditures" and totaling an amount not to exceed Two Hundred Forty-six Thousand Dollars (\$246,000.00), the Board approves the following: (a) the purchase of the Assets; (b) assignment of the Assets to the Project Reserve Fund (Internal Service Fund) for lease or rental to MES projects, including, without limitation, to the Prince George's County Yard Waste Composting Facility project operated by the Service; (c) borrowing of moneys for a term not to exceed five (5) years to finance the purchase of the Asset; (d) the use of interfund borrowing, as needed, but only on a temporary basis, to facilitate the purchase transaction; and (e) use of the proceeds of the permanent financing as appropriate to reimburse the interfund borrowing, including, without limitation, financing in the form of a Master Equipment Lease-Purchase Agreement.

4. The purchases shall be, and hereby are, adopted and authorized as set forth above, and the Director of the Service is hereby authorized to proceed as authorized and approved by this Resolution. The Service may make any substitutions of the Assets to any client-specific project it deems necessary.

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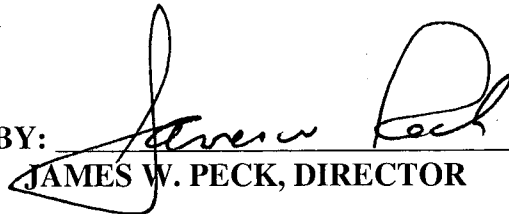
5. This Resolution shall take effect immediately.

ADOPTED, this 1st day of November, 2001.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY:



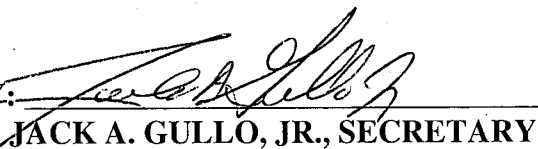
JAMES W. PECK, DIRECTOR

BY:



KENNETH A. HOWARTH, TREASURER

BY:



JACK A. GULLO, JR., SECRETARY

**CAPITAL EQUIPMENT EXPENDITURES
(01-11-1R)**

<u>No.</u>	<u>Description</u>	<u>Model</u>	<u>Estimated Cost</u>
1	Wheel Loader	Caterpillar 966G	\$ 246,000.00
		Total	\$ <u>246,000.00</u>

**BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE**

RESOLUTION

(01-11-2R)

A RESOLUTION amending

Resolution No. 01-03-2R of the Board of Directors of the Maryland Environmental Service (the "Service").

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service; (ii) to create and establish a project reserve fund; and (iii) to borrow money and issue bonds or notes for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service.

On March 29, 2001, the Service adopted Resolution 01-03-2R ("Original Resolution"). The Original Resolution authorized the borrowing of moneys to finance the purchase of certain assets, which included 3 pickup trucks. An attachment to the Original Resolution specified that the estimated total cost of the 3 pickup trucks would not exceed \$81,000. The Service has previously purchased and financed 2 of the pickup trucks for a total cost of approximately \$54,000. The Service now intends to purchase and finance the 3rd pickup truck, for approximately \$30,810. The purpose of this Resolution is to amend the Original Resolution to increase the estimated total cost of the 3 pickup trucks to be \$85,000, and to increase the estimated total cost of all the equipment listed in the Original Resolution to be \$103,000. The Service considers the purchase of these various vehicles for the use and support of certain projects to be in furtherance of the purposes of the Act and the Service.

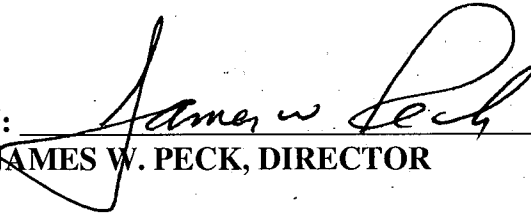
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, THAT:

1. Section 3 of MES Resolution 01-03-2R is hereby amended by changing the amount specified to be One Hundred and Three Thousand Dollars (\$103,000.00).
2. The first line item in the attachment to the Original Resolution entitled "Capital Equipment Expenditures" is hereby amended by changing the amount specified to be Eighty-Five Thousand Dollars (\$85,000.00), and the total amount is hereby amended by changing the amount specified to be One Hundred and Three Thousand Dollars (\$103,000.00).
3. All other terms and conditions of the Original Resolution shall remain the same.
4. This Resolution shall take effect immediately.

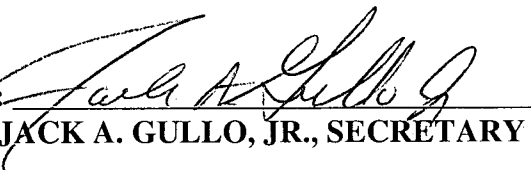
ADOPTED, this 1st day of November, 2001.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES W. PECK, DIRECTOR

BY: 
KENNETH A. HOWARTH, TREASURER

BY: 
JACK A. GULLO, JR., SECRETARY

**BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE**

RESOLUTION

(01-11-3R)

A RESOLUTION authorizing

The formal ratification by the Maryland Environmental Service (the "Service") of the procurement of equipment; assignment of the equipment to a Project Reserve Fund (Internal Service Fund); and borrowing of moneys to finance the purchase of the assets.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service; (ii) to create and establish a project reserve fund; and (iii) to borrow money and issue bonds or notes for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service.

The Service considers the purchase of various vehicles for the use and support of certain projects to be in furtherance of the purposes of the Act and the Service.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, THAT:

1. The purchase of the vehicles (the "Assets") shall be, and hereby is, confirmed, authorized and directed pursuant to the provisions of the Act.

2. Certain procurements have been or will be initiated by the Service due to funding availability and project schedules.

3. With regard to the attached list entitled "Capital Equipment Expenditures" and totaling an amount not to exceed Two Hundred and Five Thousand Dollars (\$205,000.00), the Board approves the following: (a) the purchase of the Assets; (b) assignment of the Assets to the Project Reserve Fund (Internal Service Fund) for lease or rental to MES projects, including, without limitation, to the Prince George's County Yard Waste Composting Facility project operated by the Service; (c) borrowing of moneys for a term not to exceed seven (7) years to finance the purchase of the Asset; (d) the use of interfund borrowing, as needed, but only on a temporary basis, to facilitate the purchase transaction; and (e) use of the proceeds of the permanent financing as appropriate to reimburse the interfund borrowing, including, without limitation, financing in the form of a Master Equipment Lease-Purchase Agreement.

4. The purchases shall be, and hereby are, adopted and authorized as set forth above, and the Director of the Service is hereby authorized to proceed as authorized and approved by this Resolution. The Service may make any substitutions of the Assets to any client-specific project it deems necessary.

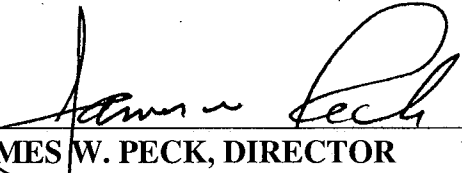
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5. This Resolution shall take effect immediately.

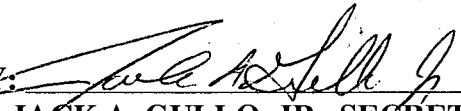
ADOPTED, this 1st day of November, 2001.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES W. PECK, DIRECTOR

BY: 
KENNETH A. HOWARTH, TREASURER

BY: 
JACK A. GULLO, JR., SECRETARY

**CAPITAL EQUIPMENT EXPENDITURES
(01-11-3R)**

<u>No.</u>	<u>Description</u>	<u>Model</u>	<u>Estimated Cost</u>
1	Trommel Screen	Powerscreen 830	\$ 205,000.00
		Total	<u>\$ 205,000.00</u>

**BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE**

RESOLUTION

(01-11.2-01R)

A RESOLUTION DECLARING

THE OFFICIAL INTENT OF THE MARYLAND ENVIRONMENTAL SERVICE TO REIMBURSE EXPENDITURES TO BE INCURRED WITH RESPECT TO THE ACQUISITION, DESIGN, ENGINEERING, PERMITTING, CONSTRUCTION, EQUIPPING, INSPECTION AND FINANCING OF A SOLID WASTE TRANSFER FACILITY PROJECT, AND RELATED FACILITIES, WITH THE PROCEEDS OF DEBT TO BE ISSUED BY THE MARYLAND ENVIRONMENTAL SERVICE.

R E C I T A L S

WHEREAS, to facilitate an efficient borrowing program the Maryland Environmental Service (the "Service") intends to expend money on some or all of the acquisition, design, engineering, permitting, construction, equipping, inspection and financing of a solid waste transfer facility project, and related facilities, located in Prince George's County, Maryland ("Project") prior to the issuance of debt by the Service for such project; and

WHEREAS, the Service intends to reimburse such expenditures from the proceeds of debt to be issued by the Service; and

WHEREAS, to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations, it is necessary in order to reimburse such expenditures with the proceeds of tax-exempt debt, that the Board of Directors of the Service declare the official intent of the Service to make such a reimbursement of expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE THAT:

1. The Service intends to expend money for all or part of the acquisition,

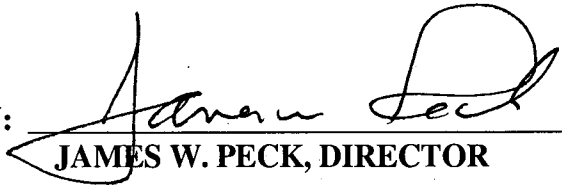
design, engineering, permitting, construction, equipping, inspection and financing of the Project prior to the issuance of bonds or other debt obligations to reimburse such expenditures. The Service expects to reimburse itself with the proceeds of bonds or other debt obligations in an amount not to exceed Sixteen Million Dollars (\$16,000,000.00).

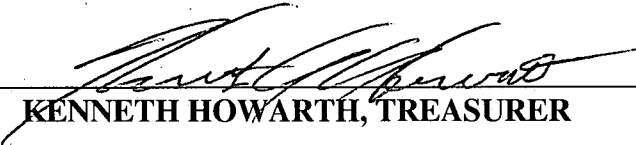
2. This Resolution shall take effect immediately.

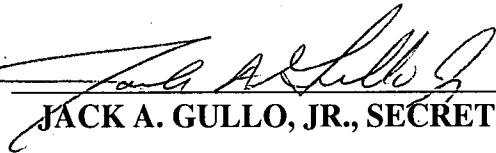
ADOPTED, this 29th day of November, 2001.

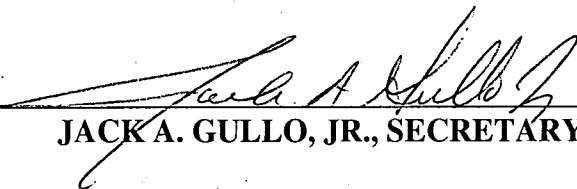
SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES W. PECK, DIRECTOR

BY: 
KENNETH HOWARTH, TREASURER

BY: 
JACK A. GULLO, JR., SECRETARY

ATTEST: 
JACK A. GULLO, JR., SECRETARY